

## Message Text

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44-L

ACTION ARA-10

INFO OCT-01 ISO-00 SS-15 SP-02 L-03 EB-07 TRSE-00 CIEP-01

COME-00 NSC-05 INR-07 OMB-01 CIAE-00 DODE-00 PRS-01

ARAE-00 /053 W

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P 251450Z NOV 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC PRIORITY 7787

C O N F I D E N T I A L LIMA 9765

FOR ARA - AMBASSADOR DEAN AND MR. FISHLOW; S/P - LUIGI EINAUDI;  
L - MONROE LEIGH; EP - THOMAS ENDERS; TREASURY - JOHN BUSHNELL;  
CIEP - WAYNE SHARP; COMMERCE - DAN ARRILL

EO 11652: GDS

TAGS: EINV, EMIN, EIND, PFOR, PINT, PE

SUBJ: MARCONA - FAR LEFTIST PRESS ATTACKS GOP OVER  
MARCONA ISSUE

REF: A. LIMA 9711; B. LIMA 9710; C. LIMA 8776;  
D. LIMA 8088

1. SUMMARY: IN ITS NOVEMBER 18-24 ISSUE, "LA PALABRA", A NEW FAR LEFTIST LABOR WEEKLY, PUBLISHED A LENGTHY ARTICLE ATTACKING GOP FOR ITS STAND ON MARCONA ISSUE WITH SPECIFIC REFERENCE TO HOW ART. 8 OF DECREE LAW COULD BE REINTERPRETED TO INCLUDE COMPENSATION FOR COMPANY. SIMILARLY, FAR LEFTIST WEEKLY "MARKA" PUBLISHED SHORT NOTICE REFERRING TO LUIGI EINAUDI'S PRESENCE IN LIMA WEEK BEFORE, NOTING THAT EINAUDI WAS THE "UNDERSTANDING" MAN ON USG TEAM, AND ASKING RHETORICALLY WITH WHOM EINAUDI HAD BEEN TALKING. ARTICLES INDICATE THAT FAR LEFT MAY NOT BE WELL INFORMED ABOUT CURRENT STATUS OF GOP-USG TALKS. "LA PALABRA" ARTICLE MAY HAVE BEEN ONE REASON GOP DECIDED TO PUBLISH ITS COMMUNIQUE ON USG-GOP TALKS. WE CAN EXPECT MORE CRITICAL ARTICLES IF INFORMATION ABOUT STATUS OF TALKS

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LEAKS OUT, PARTICULARLY IN THE WEEKLY MAGAZINES. END SUMMARY

2. ACCORDING TO "LA PALABRA" ARTICLE, AND "IMPERIALIST OFFENSIVE" AGAINST PERU OVER MARCONA HAS BEEN CARRIED OUT IN TWO WAYS: A) FIRST, THROUGH BLOCKING THE SALE OF PERUVIAN IRON ORE IN THE WORLD MARKET; B) SECOND, THROUGH BLOCKING CREDITS FROM THE IFIS, AND, ESPECIALLY, "THE YANKEE FINANCIAL ORGANIZATIONS". THE GOAL OF THIS OFFENSIVE IS TO OBTAIN COMPENSATION FOR MARCONA. ONE POSSIBLE ROUTE WOULD BE THROUGH INTERPRETATION OF THE EXPROPRIATION DECREE VIA A FORMULA WHICH MARCONA SUGGESTED. THE OTHER POSSIBLE ROUTE WOULD BE TO FORCE THE GOP COMMISSION APPOINTED TO DETERMINE WHICH PROPERTY IS TO BE COMPENSATED TO CONCLUDE THAT THE MAJOR PORTION OF THE EXPROPRIATED PROPERTY IS NOT PART OF THE SAN NICOLAS INSTALLATIONS. THIS WOULD DECREASE THE AMOUNT FOR WHICH MARCONA, ACCORDING TO THE LAW, CANNOT RECEIVE COMPENSATION. AT THE SAME TIME, PRESSURE WOULD BE PUT ON THE OTHER COMMISSION WHICH IS TO DETERMINE MARCONA'S DEBTS TO PERU. THIS STRATEGY WOULD TAKE ADVANTAGE OF THE VAGUENESS OF THE EXPROPRIATION DECREE BY UTILIZING THE CLAUSE WHICH STATES THAT COMPENSATION SHALL BE MADE FOR EQUIPMENT AND MACHINERY.

3. FURTHER, ARTICLE CONTINUES THAT THE REMOVAL OF GENERAL BOSSIO IS PROOF THAT THERE ARE SECTORS IN THE GOP WHICH WANT A RAPID SETTLEMENT THROUGH THE MECHANISM DESCRIBED ABOVE. BOSSIO, FOR HIS PART, AUTHOR OF ARTICLE NOTES, IS A PATRIOT WHO WAS "AN OBSTACLE TO ANY ARRANGEMENT". HE UNDERSTOOD THAT ONE HAD TO RESPOND FIRMLY, WITH NO EQUIVOCATION TO THIS "IMPERIALIST OFFENSIVE". HIS REMOVAL IS THEREFORE A VICTORY FOR THOSE SEEKING CONCILIATION.

4. ARTICLE CONCLUDES THAT A STATE WHICH RECONCILES ITSELF WITH IMPERIALISM WILL NOT BE ABLE TO UNDERSTAND HOW TO REPRESENT THE PEOPLE. "FALLING BEFORE IMPERIALIST BLACKMAIL DOES NOT WEAKEN THE SHACKLES OF DEPENDENCE; IT STRENGTHENS THEM."

5. "MARKA" NOTICE CARRIED STORY ENTITLED "EINAUDI - ONCE AGAIN". IT STATES THAT EINAUDI RETURNED TO LIMA LAST WEEK. CONFIDENTIAL

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EINAUDI WAS HERE SEVERAL DAYS; EINAUDI WAS DESCRIBED AS THE "UNDERSTANDING MAN" (HOMBRE COMPRENSIVO) WITH REGARD TO THE PERUVIAN REGIME WHO IS ASSISTING THE DEPARTMENT OF STATE. IT WOULD BE INTERESTING, NOTE CONCLUDES, TO KNOW WITH WHOM HE TALKED THIS TIME.

6. COMMENT: "LA PALABRA" ARTICLE INDICATES THAT AUTHORS WERE INFORMED THAT GOP IN MID-OCTOBER (SEE REF C) DID

AGREE TO RECONSIDER NEW INTERPRETATIONS OF ART. 8 OF DECREE  
LAW TO PRECLUDE COMPENSATION ONLY FOR BUILDINGS AND  
GROUNDS, NOT MACHINERY, FOLLOWING MARCONA'S EARLIER  
SUGGESTION (REF B & D). ARTICLE IS OUT OF DATE BY  
SEVERAL WEEKS, SINCE IT MAKES NO MENTION OF USG-GOP  
CONVERSATIONS. THIS IS PROBABLY DUE TO FACT THAT FAR  
LEFT IS NOT AWARE OF NATURE OF THESE CONVERSATIONS. ARTICLE  
IS VERY SUCCINCT SUMMARY OF FAR LEFTIST VIEWS ON MARCONA  
AND COULD WELL BE REASON THAT GOP DECIDED TO PUBLISH ITS  
COMMUNIQUE AT THE TIME IT DID (REF A). IT COULD ALSO  
BE CITED BY GOP IN FUTURE AS ONE OF THE ELEMENTS OF THE  
"DOMESTIC POLITICAL REALITY" PERUVIAN OFFICIALS MUST TAKE  
INTO ACCOUNT IN CONSIDERING EVENTUAL SOLUTION TO MARCONA  
COMPENSATION ISSUE.  
BARNEBEY

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## Message Attributes

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